

Senate Finance Health & Human Services Subcommittee

SCDHHS Budget Presentation

December 4, 2013
Tony Keck, Director

- FY 2013 Year End
- FY 2014 Status of SC Healthy Connections
- Medicaid Accountability and Quality Improvement Initiative (Proviso 33.34)
- FY 2015 SCDHHS Budget Submission

FY 2013 Year End

							%	
		FY 2013 Appropriation		FY 2013 Actuals		Variance		
Medicaid Assistance	\$	4,779,810,435	\$	4,394,902,436	- 1	384,907,999	8%	
State Agencies & Other Entities	\$	932,327,592	\$	810,462,742		121,864,850	13%	
Personnel & Benefits	\$	62,570,518	\$	55,728,105	\$	6,842,413	11%	
Medical Contracts & Operating	\$	163,596,791	\$	164,025,753	\$	(428,962)	0%	
Total Appropriation	\$	5,938,305,336	\$	5,425,119,036	\$	513,186,300	9%	
Supplemental Federal Authority	\$	135,237,740	\$	-	\$	135,237,740		
Other Transfers In/(Out)	\$	(10,070,568)	\$	-	\$	(10,070,568)		
FY 2013 Total	\$	6,063,472,508	\$	5,425,119,036	\$	638,353,472	11%	
FY 2012 Carry Forward	\$	62,860,131	\$	-	\$	62,860,131		
	\$	6,126,332,639	\$	5,425,119,036	\$	701,213,603	11%	
FY 2013 Year-Ending Cash Balance	s							
		Ending FY 2012 Balance		Receipts/Disbursements		Ending FY 2013 Balance		
General Fund	\$	62,860,131	\$	169,705,401	\$	232,565,532		
Earmarked Fund	\$	107,903,136	\$	78,868,718	\$	186,771,854		
Restricted Fund	\$	51,234,261	\$	(7,752,987)	\$	43,481,274		
Total	\$	221,997,528	\$	240,821,132	\$	462,818,660		
Funds Available to SCDHHS in FY 2	014							
		Ending FY 2012 Balance		Receipts/Disbursements		Ending FY 2013 Balance		
General Fund	\$	62,860,131	\$	169,705,401	\$	232,565,532		
Earmarked Fund	\$	79,031,310	\$	57,462,463	\$	136,493,773		
Restricted Fund	\$	-	\$	-	\$	<u> </u>		
Total	Ċ	141,891,441	Ś	227,167,864	Ś	369,059,305		

FY 2013 projected member months according to the 2012 Milliman Winter Forecast were 11,883,712

Actual member months were 11,809,495 (.6% below projection)



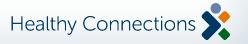
FY 2014 Status of SC Healthy Connections

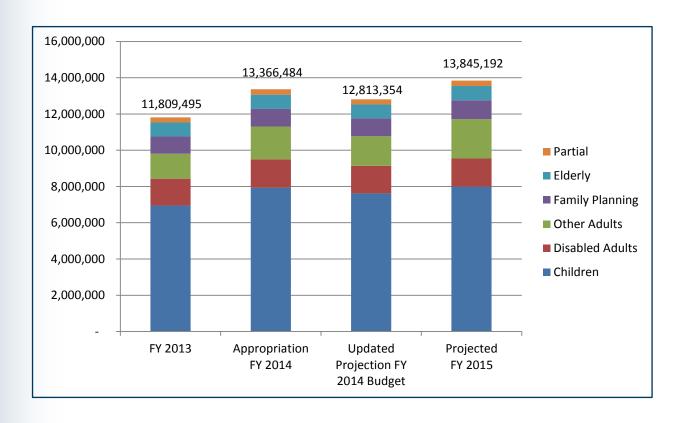
As of October 31, 33% of the fiscal year had passed

;	FY 2014 Appropriation 5,294,920,388 923,663,235	\$	FY 2014 YTD as of 10/31/13 Actuals 1,624,427,328 289,829,019	% 31%
;		- 1		
;	923,663,235	\$	280 820 010	210/
			203,023,013	31%
,	64,799,418	\$	19,675,722	30%
;	204,261,456	\$	30,393,839	15%
,	6,487,644,497	\$	1,964,325,908	30%
;	6,238,193,008	\$	1,964,325,908	
		204,261,456 6,487,644,497	204,261,456 \$ 6,487,644,497 \$	204,261,456 \$ 30,393,839 6,487,644,497 \$ 1,964,325,908

As of October 31, SCDHHS spent 30% of its appropriation

Less than six months of trend should be viewed with caution, especially given the uncertainty of ACA





The projected FY
2014 member
months are 4% below
the FY 2014
appropriation





Substantial Increase in Medicaid Applications

- 28,592 (October 2012)
- 32,393 (October 2013)
- 23,843 (November 2012)
- 25,228 (November 2013)

Nearly 13% Online in October & November

- 4,063 online (October 2013)
- 3,259 online (November 2013)
- 14,788 online accounts

Significant Progress in Modernizing Eligibility

- Statewide electronic document management completed ahead of schedule (May 2013)
- Phase 1 of eligibility replacement released on schedule (October 2013)
- Phase 2 of eligibility replacement on schedule for January 2014

Healthy Connections

Medicaid Accountability and Quality Improvement Initiative (Proviso 33.34)

Components of Proviso 33.34

Healthy Outcomes Plan (HOP)

Hospital Transparency and DSH

Graduate Medical Education (GME)

OB/GYN & Telemedicine

Optional State Supplementation (OSS)

Proviso 33.34

- Outcome of the General Assembly passed FY 2014 budget
- State-based plan to improve health while increasing value and transparency

- Health system does a poor job prioritizing who is in need of services
- Once identified, individuals who are poor or living with disabilities generally enter a system not designed to meet their needs
- Proviso 33.34 addresses the root causes of these problems



12/4/13

- Hospitals submitted Healthy Outcomes Plans (HOP) targeting 8,511 chronically ill, uninsured, high utilizers of emergency department services
 - Implementation started October 1, 2013
 - 100% participation from South Carolina Medicaid-designated hospitals
 - Several hospitals collaborated on one HOP, leading to 46 HOPs and 58 hospitals participating
- Partnerships
 - FQHCs 17 of the 21 FQHCs are partners at 43 different sites
 - RHCs 22 different RHCs are partners at 25 different sites
 - Free Clinics 27 different Free Clinics are partners at 36 different sites
- \$35 million for inpatient/outpatient hospitals effective October 2013
- DSH payment is at risk
- HOP applicants will submit monthly and quarterly reports



Disproportionate Share Hospital

Goals to Improve DSH Accountability

- Maximize the use of Medicaid DSH for those with greatest need
- Respond to changes in payment options
- · Improve tracking and accountability for services paid through DSH
- Develop DSH policies that align with program goals
- Keep aggregate DSH funds in the system

Requirements for Medicaid DSH Reimbursement

- Participation in Medicaid Healthy Outcomes Plans (HOP)
- Submission of claims-level data for the uninsured (near dates of service and with DSH report)
- Documentation to ensure each patient understands their coverage options and obligations

Graduate Medical Education

- Requirements of Proviso 33.34(E) directs SCDHHS to incentivize the development of rural physician coverage and capacity building through leveraging the GME program and developing a methodology to improve accountability and increased outcomes for the State's GME and Supplemental Teaching Payments (STP) investment by January 1, 2014
- Requirement from the Centers for Medicare and Medicaid Services (CMS) to revise the reimbursement methodology for STP that are allocated to medical universities and teaching hospitals
- GME spending accountability Despite high rates of spending on GME, there is a continuing physician shortage especially in rural areas. South Carolina ranks 8th among states that reimburse for GME
- Advisory Group Formed Chaired by Dr. Fred Carter, President of Francis Marion University
- The group is expected to have a draft report completed for final approval during its December 2013 meeting

OB/GYN & Telemedicine

- Family Practitioner/Joint Underwriters Association
 Model
 - Local family practitioners to provide prenatal care (JUA allowance)
- MUSC Model
 - > Contract with MUSC OB/GYN physicians to provide rotational coverage within the four counties
- Enhanced care management to be provided by designated entity (Low Country Healthy Start)
- Telemedicine consultation to be provided by MUSC and USC Maternal Fetal Medicine specialists

Optional State Supplementation

- Increased the OSS Net Income Limit from \$1,193 to \$1,393; thus, increasing the number of eligible applicants
- Increased the Optional Supplementation Care for Assisted-living Participants (OSCAP) rate from \$1,443 to \$1,600
- As of October 31, 84 facilities applied for the enhanced service option

FY 2015 SCDHHS Budget Submission

FY 2015 Budget Submission to B&CB

FY 2015 Base	\$ 6,482,463,060		
FY 2015 Changes		\$	467,112,096
Inflation Minus Savings	\$ 71,902,525		
Enrollment & Service Growth	\$ 479,240,551		
Technical Adjustments	\$ (95,824,922)		
Non Recurring Capital	\$ 11,793,942		
FY 2015 Total	\$ (6,949,575,156	

Actual agency request will be released in Governor's budget in January

Reflects funding needs and program priorities based on current best enrollment and inflationary cost projections

Focus on meeting current commitments:

- Decrease waiting lists for individuals and families living with intellectual disabilities
- Enrolling currently eligible but unenrolled
- Maintenance of competitive reimbursement rates for providers to ensure access

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Healthy Connections